

# FISCAL NOTE

**Bill #:** HB0329

**Title:** Repeal unisex insurance law

**Primary Sponsor:** Morgan, P

**Status:** Second Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	\$202,000	\$0
<b>Revenue:</b>		
State Special Revenue	\$202,000	\$0
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

1. This bill would allow property and casualty insurers, and life and disability insurers to utilize gender and marital status in rating.
2. In order to reflect the changes in insurance premiums due to this bill, it is estimated that there would be an additional 100 property and casualty rate filings and 60 credit life and disability rate filings in FY 2004.
3. The State Auditor's Office (SAO) will contract with outside actuaries to complete the additional rate filings.
4. The SAO has received two estimates from outside actuaries for the property and casualty rate filings review. Milliman and Robertson submitted an estimate with a range of \$100,000 to \$150,000 and Pinnacle Actuarial Resources Inc. submitted an estimate with a range of \$50,000 to \$100,000. SAO will use a middle estimate of \$100,000.
5. The additional credit life and disability rate filings would cost an estimated \$30,000 from an outside actuary.
6. SAO estimates that there would be 7,200 additional form filings for life and disability insurance products. It is estimated that each filing would cost an estimated \$10 per filing. (7,200 x \$10 = \$72,000)
7. The fiscal impact of this bill will be funded with state special revenue and will have a direct impact upon fees paid by the insurance industry. (\$100,000 + \$30,000 + \$72,000 = \$202,000)

**Fiscal Note Request HB0329, Second Reading**  
(continued)

FISCAL IMPACT:

<b>State Auditor's Office Program 03</b>	<b>FY 2004 <u>Difference</u></b>	<b>FY 2005 <u>Difference</u></b>
<u>Expenditures:</u>		
Operating Expenses	\$202,000	\$0
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$202,000	\$0
<u>Revenues:</u>		
State Special Revenue (02)	\$202,000	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$0	\$0